



ANNUAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2012  
OF THE CONDITION AND AFFAIRS OF THE

Martin's Point Generations, LLC

NAIC Group Code 0000, NAIC Company Code 12545 Employer's ID Number 20-4505084  
(Current Period) (Prior Period)

Organized under the Laws of Maine, State of Domicile or Port of Entry Maine

Country of Domicile US

Licensed as business type:

Life, Accident and Health [ ] Property/Casualty [ ] Hospital, Medical and Dental Service or Indemnity [ ]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Other [ ]  
Health Maintenance Organization [ X ] Is HMO Federally Qualified? Yes (X) No ( )

Incorporated/Organized January 11, 2006 Commenced Business January 1, 2007

Statutory Home Office 331 Veranda Street, Portland, Maine 04103  
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 331 Veranda Street, Portland, Maine, US 04103 207-774-5801  
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 9746, Portland, Maine, US 04104-5040  
(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records 27 Northport Drive, Portland, Maine, US 04103  
(Street and Number, City or Town, State, Country and Zip Code)  
207-253-6224  
(Area Code) (Telephone Number)

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OFFICERS

David Hermon Howes, MD (President & CEO) Dale Hansen Bradford (Chief Operating Officer)  
Jane Elizabeth Rollinson (Interim Chief Financial Officer) Sandra Lynn Monfiletto (Chief Administrative Officer)

OTHER OFFICERS

Elizabeth Hartley Johnson, MD (Chief Medical Officer)  
Daniel Bruce Chojnowski (Director of Finance, Corporate Controller)

DIRECTORS OR TRUSTEES

Michael Eric Thomas, Chair  
Warren Deems Alpern, MD, Vice Chair  
Robert Adair Moore, Secretary  
George Nelson Campbell, Jr, Treasurer  
Karen Loeb Lifford, MD  
Marylou Buyse, MD  
Raymond Eldon Durkee  
Daniel Kent Onion, MD  
Edward Charles Dupont, Jr  
James Alexander Hester, Jr, PhD  
Ronald Fitzjohn Dixon, MD  
David Hermon Howes, MD

State of Maine }  
County of Cumberland } SS

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

David Hermon Howes, MD Jane Elizabeth Rollinson  
President & CEO Interim Chief Financial Officer

Subscribed and sworn to before me this day of  
a. Is this an original filing? Yes (X) No ( )  
b. If no: 1. State the amendment number  
2. Date filed  
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col 1 - Col 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....				
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 26,323,978 , Schedule E - Part 1) , cash equivalents (\$ ..... , Schedule E - Part 2) and short-term investments (\$ ..... 610,575 ,Schedule DA) .....	26,934,553		26,934,553	21,352,978
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Line 1 through Line 11) .....	26,934,553		26,934,553	21,352,978
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	393,295	60,757	332,538	222,321
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....	8,271		8,271	6,709
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$ ..... 4,370,540 ) and other amounts receivable .....	5,698,782	1,328,242	4,370,540	784,033
25. Aggregate write-ins for other than invested assets .....				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) .....	33,034,901	1,388,999	31,645,902	22,366,041
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Line 26 and Line 27) .....	33,034,901	1,388,999	31,645,902	22,366,041
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....	15,815,292		15,815,292	11,085,843
2. Accrued medical incentive pool and bonus amounts .....	334,926		334,926	175,000
3. Unpaid claims adjustment expenses .....	404,982		404,982	251,921
4. Aggregate health policy reserves, including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	219,333		219,333	264,636
9. General expenses due or accrued .....	474,540		474,540	789,721
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....	7,804		7,804	
13. Remittances and items not allocated .....				
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	492,808		492,808	388,144
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ ..... unauthorized reinsurers and \$ ..... certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				
23. Aggregate write-ins for other liabilities (including \$ ..... current) .....				
24. Total liabilities (Line 1 to Line 23) .....	17,749,685		17,749,685	12,955,265
25. Aggregate write-ins for special surplus funds .....	X X X	X X X		
26. Common capital stock .....	X X X	X X X		
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X	43,500,000	30,500,000
29. Surplus notes .....	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
31. Unassigned funds (surplus) .....	X X X	X X X	(29,603,783)	(21,089,224)
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	X X X	X X X		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	X X X	X X X		
33. Total capital and surplus (Line 25 to Line 31 minus Line 32) .....	X X X	X X X	13,896,217	9,410,776
34. Total liabilities, capital and surplus (Line 24 and Line 33) .....	X X X	X X X	31,645,902	22,366,041
DETAILS OF WRITE-INS				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....				
2501. ....	X X X	X X X		
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	X X X	X X X		
3001. ....	X X X	X X X		
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months .....	X X X	199,950	142,392
2. Net premium income (including \$ ..... non-health premium income) .....	X X X	132,098,338	86,989,481
3. Change in unearned premium reserves and reserve for rate credits .....	X X X		
4. Fee-for-service (net of \$ ..... medical expenses) .....	X X X		
5. Risk revenue .....	X X X		
6. Aggregate write-ins for other health care related revenues .....	X X X		
7. Aggregate write-ins for other non-health revenues .....	X X X		
8. Total revenues (Line 2 to Line 7) .....	X X X	132,098,338	86,989,481
Hospital and Medical:			
9. Hospital/medical benefits .....		105,088,640	69,684,782
10. Other professional services .....			
11. Outside referrals .....			
12. Emergency room and out-of-area .....			
13. Prescription drugs .....		16,757,112	13,528,771
14. Aggregate write-ins for other hospital and medical .....			
15. Incentive pool, withhold adjustments, and bonus amounts .....		546,293	189,201
16. Subtotal (Line 9 to Line 15) .....		122,392,045	83,402,754
Less:			
17. Net reinsurance recoveries .....			3,463
18. Total hospital and medical (Line 16 minus Line 17) .....		122,392,045	83,399,291
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ ..... 1,546,119 cost containment expenses .....		2,644,702	2,221,664
21. General administrative expenses .....		14,305,703	13,221,643
22. Increase in reserves for life and accident and health contracts (including \$ .....increase in reserves for life only) .....			
23. Total underwriting deductions (Line 18 through Line 22) .....		139,342,450	98,842,598
24. Net underwriting gain or (loss) (Line 8 minus Line 23) .....	X X X	(7,244,112)	(11,853,117)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		18,164	35,566
26. Net realized capital gains (losses) less capital gains tax of \$ .....			
27. Net investment gains (losses) (Line 25 plus Line 26) .....		18,164	35,566
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
29. Aggregate write-ins for other income or expenses .....			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29) .....	X X X	(7,225,948)	(11,817,551)
31. Federal and foreign income taxes incurred .....	X X X		
32. Net income (loss) (Line 30 minus Line 31) .....	X X X	(7,225,948)	(11,817,551)
DETAILS OF WRITE-INS			
0601. ....	X X X		
0602. ....	X X X		
0603. ....	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	X X X		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above) .....	X X X		
0701. ....	X X X		
0702. ....	X X X		
0703. ....	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above) .....	X X X		
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above) .....			
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above) .....			

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting year .....	9,410,776	5,257,792
34. Net income or (loss) from Line 32 .....	(7,225,948)	(11,817,551)
35. Change in valuation basis of aggregate policy and claims reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	(1,288,611)	(29,465)
40. Change in unauthorized and certified reinsurance .....		
41. Change in treasury stock .....		
42. Change in surplus notes .....		
43. Cumulative effect of changes in accounting principles .....		
44. Capital Changes:		
44.1 Paid in .....	13,000,000	16,000,000
44.2 Transferred from surplus (Stock Dividend) .....		
44.3 Transferred to surplus .....		
45. Surplus adjustments:		
45.1 Paid in .....		
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Tranferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....		
48. Net change in capital and surplus (Line 34 to Line 47) .....	4,485,441	4,152,984
49. Capital and surplus end of reporting year (Line 33 plus Line 48) .....	13,896,217	9,410,776
DETAILS OF WRITE-INS		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above) .....		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	131,900,631	87,021,048
2. Net investment income	18,164	35,566
3. Miscellaneous income	(4,834,493)	(466,272)
4. Total (Line 1 through Line 3)	127,084,302	86,590,342
5. Benefit and loss related payments	117,502,670	82,585,129
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	17,112,525	14,742,425
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	134,615,195	97,327,554
11. Net cash from operations (Line 4 minus Line 10)	(7,530,893)	(10,737,212)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)		
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)		
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock	13,000,000	16,000,000
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	112,468	(958,411)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	13,112,468	15,041,589
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	5,581,575	4,304,377
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	21,352,978	17,048,601
19.2 End of year (Line 18 plus Line 19.1)	26,934,553	21,352,978
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	132,098,338						132,098,338			
2. Change in unearned premium reserves and reserve for rate credit .....										
3. Fee-for-service (net of \$ ..... medical expenses) .....										XXX
4. Risk revenue .....										XXX
5. Aggregate write-ins for other health care related revenues .....										XXX
6. Aggregate write-ins for other non-health care related revenues .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. Total revenues (Line 1 through Line 6) .....	132,098,338						132,098,338			
8. Hospital/medical benefits .....	105,088,640						105,088,640			XXX
9. Other professional services .....										XXX
10. Outside referrals .....										XXX
11. Emergency room and out-of-area .....										XXX
12. Prescription drugs .....	16,757,112						16,757,112			XXX
13. Aggregate write-ins for other hospital and medical .....										XXX
14. Incentive pool, withhold adjustments, and bonus amounts .....	546,293						546,293			XXX
15. Subtotal (Line 8 through Line 14) .....	122,392,045						122,392,045			XXX
16. Net reinsurance recoveries .....										XXX
17. Total hospital and medical (Line 15 minus Line 16) .....	122,392,045						122,392,045			XXX
18. Non-health claims (net) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ ..... 1,546,119 cost containment expenses .....	2,644,702						2,644,702			
20. General administrative expenses .....	14,305,703						14,305,703			
21. Increase in reserves for accident and health contracts .....										XXX
22. Increase in reserves for life contracts .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Line 17 through Line 22) .....	139,342,450						139,342,450			
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	(7,244,112)						(7,244,112)			
DETAILS OF WRITE-INS										
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....										XXX
0599. Total (Line 0501 through Line 0503 plus Line 0598) (Line 5 above) .....										XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Total (Line 0601 through Line 0603 plus Line 0698) (Line 6 above) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301. ....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....										XXX
1399. Total (Line 1301 through Line 1303 plus Line 1398) (Line 13 above) .....										XXX

UNDERWRITING AND INVESTMENT EXHIBIT  
Part 1 - Premiums

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Column 1 plus Column 2 minus Column 3)
1. Comprehensive (hospital and medical) .....				
2. Medicare Supplement .....				
3. Dental only .....				
4. Vision only .....				
5. Federal Employees Health Benefits Plan .....				
6. Title XVIII - Medicare .....	132,098,338			132,098,338
7. Title XIX - Medicaid .....				
8. Other health .....				
9. Health subtotal (Line 1 through Line 8) .....	132,098,338			132,098,338
10. Life .....				
11. Property/casualty .....				
12. Totals (Line 9 to Line 11) .....	132,098,338			132,098,338



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XV/III Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	117,116,303						117,116,303			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	117,116,303						117,116,303			
2. Paid medical incentive pools and bonuses	386,367						386,367			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	15,815,292						15,815,292			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	15,815,292						15,815,292			
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	334,926						334,926			
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	11,085,843						11,085,843			
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	11,085,843						11,085,843			
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	175,000						175,000			
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	121,845,752						121,845,752			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	121,845,752						121,845,752			
13. Incurred medical incentive pools and bonuses	546,293						546,293			

(a) Excludes \$ loans or advances to providers not yet expensed

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	1,372,703						1,372,703			
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	1,372,703						1,372,703			
2. Incurred but Unreported:										
2.1 Direct .....	14,442,589						14,442,589			
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	14,442,589						14,442,589			
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS:										
4.1 Direct .....	15,815,292						15,815,292			
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	15,815,292						15,815,292			

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Column 1 plus Column 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) .....						
2. Medicare Supplement .....						
3. Dental Only .....						
4. Vision Only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....	12,354,890	106,007,837	6,892	15,808,400	12,361,782	11,085,843
7. Title XIX - Medicaid .....						
8. Other health .....						
9. Health subtotal (Line 1 through Line 8) .....	12,354,890	106,007,837	6,892	15,808,400	12,361,782	11,085,843
10. Healthcare receivables (a) .....		1,246,424				
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....	210,074	176,293		334,926	210,074	175,000
13. Totals (Line 9 minus Line 10 plus Line 11 plus Line 12) .....	12,564,964	104,937,706	6,892	16,143,326	12,571,856	11,260,843

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Title XVIII Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	4,069,538	4,917,622			
3. 2009	X X X	10,072,055	11,919,248		
4. 2010	X X X	X X X	30,307,733	39,721,705	
5. 2011	X X X	X X X	X X X	73,222,225	85,787,189
6. 2012	X X X	X X X	X X X	X X X	104,937,706

Section B - Incurred Health Claims - Title XVIII Medicare

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	5,026,294	4,979,191			
3. 2009	X X X	12,592,598	12,029,160		
4. 2010	X X X	X X X	40,695,570	39,754,951	
5. 2011	X X X	X X X	X X X	84,449,822	85,794,081
6. 2012	X X X	X X X	X X X	X X X	121,081,032

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII Medicare

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008	6,551	4,918	98	1.993	5,016	76.568			5,016	76.568
2. 2009	16,407	11,919	341	2.861	12,260	74.724			12,260	74.724
3. 2010	43,019	39,722	897	2.258	40,619	94.421			40,619	94.421
4. 2011	86,989	85,787	2,186	2.548	87,973	101.131	7		87,980	101.139
5. 2012	132,098	104,938	2,225	2.120	107,163	81.124	16,143	405	123,711	93.651

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior .....					
2. 2008 .....	4,069,538	4,917,622			
3. 2009 .....	X X X	10,072,055	11,919,248		
4. 2010 .....	X X X	X X X	30,307,733	39,721,705	
5. 2011 .....	X X X	X X X	X X X	73,222,225	85,787,189
6. 2012 .....	X X X	X X X	X X X	X X X	104,937,706

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior .....					
2. 2008 .....	5,026,294	4,979,191			
3. 2009 .....	X X X	12,592,598	12,029,160		
4. 2010 .....	X X X	X X X	40,695,570	39,754,951	
5. 2011 .....	X X X	X X X	X X X	84,449,822	85,794,081
6. 2012 .....	X X X	X X X	X X X	X X X	121,081,032

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008 .....	6,551	4,918	98	1.993	5,016	76.568			5,016	76.568
2. 2009 .....	16,407	11,919	341	2.861	12,260	74.724			12,260	74.724
3. 2010 .....	43,019	39,722	897	2.258	40,619	94.421			40,619	94.421
4. 2011 .....	86,989	85,787	2,186	2.548	87,973	101.131	7		87,980	101.139
5. 2012 .....	132,098	104,938	2,225	2.120	107,163	81.124	16,143	405	123,711	93.651

**Page 13**

Underwriting and Investment Exhibit, Part 2D

**NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ ..... for occupancy of own building) .....					
2. Salaries, wages and other benefits .....	1,337,030	353,925	5,332,192		7,023,147
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....			1,793,617		1,793,617
4. Legal fees and expenses .....			56,063		56,063
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....	11,148	1,976	1,414,600		1,427,724
7. Traveling expenses .....	26,306	2,029	210,675		239,010
8. Marketing and advertising .....	411		1,157,302		1,157,713
9. Postage, express, and telephone .....	5,108	7,778	1,150,541		1,163,427
10. Printing and office supplies .....	10,747	1,927	145,919		158,593
11. Occupancy, depreciation and amortization .....	2,343	763	189,269		192,375
12. Equipment .....	7,208	221	284,630		292,059
13. Cost or depreciation of EDP equipment and software .....	10,674	96,833	397,578		505,085
14. Outsourced services including EDP, claims, and other services .....	52,319	610,027	1,478,528		2,140,874
15. Boards, bureaus and association fees .....			1,391		1,391
16. Insurance, except on real estate .....			125,134		125,134
17. Collection and bank service charges .....			120,979	3,251	124,230
18. Group service and administration fees .....					
19. Reimbursements by uninsured accident and health plans .....					
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....					
22. Real estate taxes .....					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					
23.2 State premium taxes .....					
23.3 Regulator authority licenses and fees .....			69,879		69,879
23.4 Payroll taxes .....	82,825	23,104	300,646		406,575
23.5 Other (excluding federal income and real estate taxes) .....			76,760		76,760
24. Investment expenses not included elsewhere .....					
25. Aggregate write-ins for expenses .....					
26. Total expenses incurred (Line 1 to Line 25) .....	1,546,119	1,098,583	14,305,703	3,251	(a) 16,953,656
27. Less expenses unpaid December 31, current year .....		404,982	474,540		879,522
28. Add expenses unpaid December 31, prior year .....		251,921	789,721		1,041,642
29. Amounts receivable relating to uninsured accident and health plans, prior year .....					
30. Amounts receivable relating to uninsured accident and health plans, current year .....					
31. Total expenses paid (Line 26 minus Line 27 plus Line 28 minus Line 29 plus Line 30) .....	1,546,119	945,522	14,620,884	3,251	17,115,776
DETAILS OF WRITE-INS					
2501. ....					
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....					
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....					

(a) Includes management fees of \$ ..... 6,798,300 to affiliates and \$ .....to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a)	
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 21,415	21,415
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	21,415	21,415
11. Investment expenses		(g) 3,251
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Line 11 through Line 15)		3,251
17. Net investment income (Line 10 minus Line 16)		18,164
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.	(f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.	
(b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.	(g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.	(h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.	
(d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.	(i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.	
(e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... 659 paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Col. 1 + Col. 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds					
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					
NONE					
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					



EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D): .....			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B): .....			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A): .....			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1) , cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Line 1 to Line 11) .....			
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premiums and considerations: .....			
15.1 Uncollected premiums and agents' balances in the course of collection .....	60,757	18,570	(42,187)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums .....			
16. Reinsurance: .....			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivable from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....	1,328,242	81,818	(1,246,424)
25. Aggregate write-ins for other than invested assets .....			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) .....	1,388,999	100,388	(1,288,611)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Line 26 and Line 27) .....	1,388,999	100,388	(1,288,611)
DETAILS OF WRITE-INS .....			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) .....			
2501. ....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6  Current Year Member Months
	1  Prior Year	2  First Quarter	3  Second Quarter	4  Third Quarter	5  Current Year	
1. Health Maintenance Organizations .....	889	1,080	1,124	1,176	1,217	13,614
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....	1,593	1,510	1,580	1,653	1,692	19,079
4. Point of Service .....	10,354	12,970	13,813	14,604	15,485	167,257
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business .....						
7. Total .....	12,836	15,560	16,517	17,433	18,394	199,950
DETAILS OF WRITE-INS						
0601 .....						
0602 .....						
0603 .....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....						
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above) .....						

## NOTES TO FINANCIAL STATEMENTS

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### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The accompanying financial statements of Martin's Point Generations, LLC (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners ("NAIC") *Annual Statement Instructions* and in accordance with accounting practices prescribed or permitted by the NAIC *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Maine Bureau of Insurance (the "Bureau"). There were no deviations from NAIC prescribed or permitted by the Bureau in 2011 or 2012.

#### B. Use of Estimates in the Preparation of the Financial Statements

Preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### C. Accounting Policies

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Premiums paid by subscribers prior to the effective date are recorded on the balance sheet as advance premiums and subsequently credited to income as earned during the coverage period.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) The Company does not have any bonds.
- (3) The Company does not have any common stock.
- (4) The Company does not have any preferred stock.
- (5) The Company does not have any mortgage loans.
- (6) The Company does not have any loan-backed securities.
- (7) The Company does not have any investments in subsidiaries, controlled or affiliated companies.
- (8) The Company does not have investments in joint ventures, partnerships or limited liability companies.
- (9) The Company does not have any derivative instruments.
- (10) The Company does not have any premium deficiency.
- (11) The Company's reported unpaid claims are based on adjudicated claims in process of settlement. The amount of unreported claims is based on actuarial estimates. The claims adjustment expenses are estimated at approximately 2% of unpaid claims. Liabilities for unpaid claims and claims adjustment expense are based on assumptions and estimates, and while management believes such estimates are reasonable, the ultimate liability may be in excess of or less than the amount provided.
- (12) The Company does not have any capital assets and therefore no capitalization policy.
- (13) The Company records pharmaceutical rebate receivables as a nonadmitted asset.

### 2. Accounting Changes and Corrections of Errors

#### A. Correction of Errors: Not applicable

### 3. Business Combinations and Goodwill

#### A. Statutory Purchase Method: Not applicable

#### B. Statutory Merger: Not applicable

#### C. Assumption Reinsurance: Not applicable

#### D. Impairment Loss: Not applicable

### 4. Discontinued Operations

The Company had no operations that were discontinued during 2012.

### 5. Investments

#### A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company has no investments in mortgage loans, including Mezzanine Real Estate Loans.

#### B. Debt Restructuring

The Company has no invested assets that are restructured debt.

#### C. Reverse Mortgages

The Company has no investments in reverse mortgages.

## NOTES TO FINANCIAL STATEMENTS

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### D. Loan-Backed Securities

The Company has no loan – backed securities.

### E. Repurchase Agreements and/or Security Lending Transactions

The Company has no repurchase agreements or security lending transactions at December 31, 2012.

### F. Real Estate

(1) The Company has no investment real estate.

(2) The Company does not engage in retail land sales operations.

### G. Low-Income Housing Tax Credit

The Company has no Low-Income Housing Tax Credits

## 6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships or limited liability companies.

B. Not applicable.

## 7. Investment Income

A. Accrued investment income would be excluded from investment income on the following basis:

Bonds -- where interest is in default, accrued interest on bonds is ineligible for amortization.

B. The Company did not accrue investment income that was nonadmitted at December 31, 2012.

## 8. Derivative Instruments: None

## 9. Income Taxes: The Company is not subject to Federal Income taxes.

A. Not applicable

B. Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

## 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

### A., B. & C. Nature of the relationship and transactions involved

The Company is organized as a Maine limited liability company and licensed to transact business as a Medicare Advantage Health Maintenance Organization. The Company is a wholly-owned subsidiary of Martin's Point Health Care, Inc. (the "Parent") a Maine non-profit corporation. During 2011 and 2012 the Parent invested \$16,000,000 and \$13,000,000, respectively, in the Company.

On December 31, 2011 the three medical practices of Martin's Point Health Care, Inc. (MPHC) (Evergreen Woods Primary Care, Martin's Point Medical Group and Bowdoin Medical Group) ceased all business operations as affiliated LLCs and were consolidated into MPHC operations on January 1, 2012. The activities of the LLCs are currently limited to winding up their business affairs and will be dissolved in accordance with the applicable provisions of Maine law.

### D. Amounts Due to or from Related Parties

At December 31, 2012, the Company reported \$492,808 due to its Parent. The payable is for current items generated in 2012 and will be settled in 2013.

### E. Guarantees or Contingencies for Related Parties

The Company did not enter into guarantees or undertakings for the benefit of a related party that would result in a material contingent exposure of the Company's assets or liabilities.

**NOTES TO FINANCIAL STATEMENTS**

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**F. Management, Service Contracts, Cost Sharing Arrangements**

The Company has a Management Services Agreement with its Parent, whereby they will perform all of the Company's obligations under the Center for Medicare & Medicaid Services (CMS) Contract and will administer the Medicare Advantage Plan on the Company's behalf, in accordance with the CMS Contract.

The Company purchases certain marketing, administrative and managerial services under an Operating Agreement with its Parent. For purposes of the Underwriting and Investment Exhibit Part 3, these fees are allocated to the individual line items in the same manner as the direct expenses incurred by the Parent.

Included in the Underwriting and Investment Exhibit Part 3, is \$6,798,300 in net management fees from its Parent during 2012. Management fees for 2011 were \$5,695,680.

**G. Nature of Relationships that Could Affect Operations:** None**H. Amount Deducted for Investment in Upstream Company:** Not applicable**I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets:** Not applicable**J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies:** Not Applicable**K. Investment in Foreign Insurance:** Not Applicable**L. Investment in Downstream Noninsurance Holding Company:** Not Applicable**11. Debt****A. Capital Notes**

The Company had no capital notes outstanding at December 31, 2012.

**A. All Other Debt**

The Company had no other debt outstanding at December 31, 2012.

**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans:****A Defined Benefit Plan:** Not applicable**B. Defined Contribution Plan:** Not applicable**C. Multi-employer Plan:** Not applicable**D. Consolidated/Holding Company Plans:**

The Company participates in a defined contribution plan for employees, sponsored by its parent company Martin's Point Health Care, Inc. Under the plan, the Company contributes 3% of eligible earnings to employees accounts and matches 50% of employees' contributions, to a maximum of an additional 3% of eligible earnings. Expense under the plan are recorded as incurred and was \$84,497 and \$70,564 for 2012 and 2011, respectively.

**E. Postemployment Benefits and Compensated Absences:** Not applicable**F. Impact of Medicare Modernization Act on Postretirement Benefits:** Not Applicable**13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

- (1) The Company has no common stock.
- (2) The Company has no preferred stock.
- (3) The Company is not a stock company and is not subject to dividend restrictions.
- (4) As noted above, no dividends were paid.
- (5) Company is not a stock company and is not subject to dividend restrictions.
- (6) Unassigned surplus funds are not restricted.
- (7) There have been no advances to surplus.
- (8) There are no shares of stock held for special purposes.
- (9) The Company has no special surplus funds.

## NOTES TO FINANCIAL STATEMENTS

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- (10) The Company has no surplus adjustments due to cumulative unrealized losses.
- (11) The Company has not issued any surplus notes or debentures or similar obligations.
- (12) The Company had no restatements due to prior quasi-reorganizations.
- (13) The Company has not been involved in any quasi-reorganizations during the past 10 years.

### 14. Contingencies

#### A. Contingent Commitments

The Company has no contingent commitments.

#### B. Assessments

The Company is subject to guaranty fund by the state in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies.

#### C. Gain Contingencies

The Company has no gain contingencies.

#### D. Claims related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits

The Company has no lawsuits on claims in 2012.

#### E. All Other Contingencies

The Company has no other contingencies and has no assets that it considers to be impaired.

### 15. Leases

#### A. Lessee Leasing Arrangements

- 1. The Company has not entered into any operating leases.
- 2. The Company has no rental commitments.
- 3. The Company is not involved in any sales – leaseback transactions.

#### B Lessor Leasing Arrangements

- 1. The Company has not entered into any operating leases.
- 2. The Company has not entered into any leveraged leases.

### 16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

The Company has no financial instruments with off-balance sheet risk.

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

**A. Transfers of receivables reported as Sales:** Not Applicable

**B. Transfer and Servicing of Financial Assets:** Not applicable

**C. Wash Sales:** The Company had no Wash Sales during the period.

### 18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

**A. ASO Plans:** Not applicable

**B. ASC Plans:** Not Applicable

**C. Medicare or Similarly Structured Cost Based Reimbursement Contract:** Not applicable

### 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No premiums were written by managing general agents or third party administrators during the period.

### 20. Fair Value Measurements: Not applicable

**NOTES TO FINANCIAL STATEMENTS**

---

**21. Other Items**

- A. Extraordinary Items:** None
- B. Troubled Debt Restructuring:** Not applicable
- C. Other Disclosures:** None
- D. Uncollectible Premiums Receivable:** The Company has no material nonadmitted assets for uncollected premiums that are over 90 days past due.
- E. Business Interruption Insurance Recoveries:** None
- F. State Transferable Tax Credits:** Not Applicable
- G. Subprime Mortgage Related Risk Exposure:** The Company has no Subprime Mortgages.
- H. Retained Assets:** The Company has no retained assets.

**22. Events Subsequent**

The State of New Hampshire granted the Company a health maintenance organization license (HMO), restricted to Medicare Advantage, on May 3, 2012. Starting in 2013 Hillsborough and Strafford counties were added to our service area.

The State of New Hampshire requires a minimum capital and surplus for an HMO of \$6,000,000. At December 31, 2012, the Company has a surplus of \$13,896,217.

**23. Reinsurance****A. Ceded Reinsurance Report****Section 1 - General Interrogatories**

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?  
Yes ( ) No (X)
2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?  
  
Yes ( ) No (X)

**Section 2 - Ceded Reinsurance Report - Part A**

1. Does the reporting entity have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premiums or other similar credits?  
  
Yes ( ) No (X)
2. Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
  
Yes ( ) No (X)

**Section 3 - Ceded Reinsurance Report - Part B**

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement?  
  
None
2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?  
  
Yes ( ) No (X)

**NOTES TO FINANCIAL STATEMENTS**

---

**B. Uncollectible Reinsurance**

The Company has no uncollectible reinsurance.

**C. Commutation of Ceded Reinsurance**

The Company has not commuted any ceded reinsurance during the period.

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

**A.** Not applicable

**B.** Not applicable

**C.** Not applicable

**25. Change in Incurred Claims and Claims Adjustment Expenses**

Reserves as of December 31, 2011 were \$11,337,764. As of December 31, 2012, \$12,635,630 has been paid for incurred claims and claim adjustment expenses attributable to insured events of the prior year. Reserves remaining for prior years are \$ 7,068 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been \$1,304,934 unfavorable prior-year development since December 31, 2011 to December 31, 2012. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

**26. Intercompany Pooling Arrangements:** Not applicable**27. Structured Settlements:** Not applicable**28. Health Care Receivables**

**A. Pharmaceutical Rebate Receivables:** The Company records Pharmaceutical Rebates Receivables as a nonadmitted asset.

**B. Risk Sharing Receivables:** Not applicable

**29. Participating Policies:** Not applicable**30. Premium Deficiency Reserves:** Not applicable

**31. Anticipated Salvage and Subrogation:** The Company does not include an estimate of salvage or subrogation in its determination of its liability for unpaid claims. During 2012 the Company recovered \$70,217 in subrogated claims.



GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

GENERAL

1.1	Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?	Yes (X) No ( )
1.2	If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?	Yes (X) No ( ) N/A ( )
1.3	State Regulating?	Maine
2.1	Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?	Yes ( ) No (X)
2.2	If yes, date of change:	.....
3.1	State as of what date the latest financial examination of the reporting entity was made or is being made.	12/31/2011
3.2	State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.	12/31/2011
3.3	State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).	12/07/2012
3.4	By what department or departments? State of Maine, Bureau of Insurance	
3.5	Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?	Yes ( ) No ( ) N/A (X)
3.6	Have all of the recommendations within the latest financial examination report been complied with?	Yes ( ) No ( ) N/A (X)
4.1	During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:	
	4.11 sales of new business?	Yes ( ) No (X)
	4.12 renewals?	Yes ( ) No (X)
4.2	During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:	
	4.21 sales of new business?	Yes ( ) No (X)
	4.22 renewals?	Yes ( ) No (X)

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

GENERAL

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)

5.2 If yes, provide the name of entity, the NAIC company code, and state of domicile for any entity that has ceased to exist as a result of the merger or consolidation.

<sup>1</sup> Name of Entity	<sup>2</sup> NAIC Company Code	<sup>3</sup> State of Domicile
--------------------------------	-----------------------------------	-----------------------------------

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes ( ) No (X)

6.2 If yes, give full information: .....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes ( ) No (X)

7.2 If yes, 7.21 State the percentage of foreign control; .....%

7.22 State the nationality(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

<sup>1</sup> Nationality	<sup>2</sup> Type of Entity
-----------------------------	--------------------------------

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes ( ) No (X)

8.2 If response to 8.1 is yes, please identify the name of the bank holding company. ....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes ( ) No (X)

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

<sup>1</sup> Affiliate Name	<sup>2</sup> Location (City, State)	<sup>3</sup> FRB	<sup>4</sup> OCC	<sup>5</sup> FDIC	<sup>6</sup> SEC
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GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

GENERAL

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Baker, Newman & Noyes, 280 Fore Street, Portland, Maine 04112-0507
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes ( ) No (X)
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Model Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes ( ) No (X)
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5

Has the reporting entity established an Audit Committee in compliance with domiciliary state insurance laws?

Yes (X) No ( ) N/A ( )
- 10.6

If the response to 10.5 is no or n/a, please explain:  
.....
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Timothy J. Wilder, FSA, MAAA, Principal and Consulting Actuary, Milliman, 4370 La Jolla Village Drive, Suite 700, San Diego, CA 92122-1249
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes ( ) No (X)
- 12.11

Name of real estate holding company  
.....
- 12.12

Number of parcels involved

.....
- 12.13

Total book/adjusted carrying value

\$ .....
- 12.2

If yes, provide explanation  
.....
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located?

Yes ( ) No ( )
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes ( ) No ( )
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes ( ) No ( ) N/A (X)
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
(c) Compliance with applicable governmental laws, rules and regulations;  
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
(e) Accountability for adherence to the code.

Yes (X) No ( )
- 14.11

If the response to 14.1 is No, please explain:  
.....
- 14.2

Has the code of ethics for senior managers been amended?

Yes (X) No ( )
- 14.21

If the response to 14.2 is Yes, provide information related to amendment(s).  
Amended to clearly define expected employee behaviors, added the process for screening employees against GAO and OIG exclusion and sanctions list and provided employees with requirements for participating in Social Media.
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes ( ) No (X)
- 14.31

If the response to 14.3 is Yes, provide the nature of any waiver(s).  
.....
- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes ( ) No (X)
- 15.2

If the response to 15.1 is yes, indicated the American Bankers Association (ABA) Routing Number and the name of issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2  Issuing or Confirming Bank Name	3  Circumstances That Can Trigger the Letter of Credit	4  Amount
--	--	--	-----------------

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes (X) No ( )
17.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes (X) No ( )
18.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes (X) No ( )

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes ( ) No (X)
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11

To directors or other officers

\$ .....

20.12

To stockholders not officers

\$ .....

20.13

Trustees, supreme or grand (Fraternal only)

\$ .....
- 20.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21

To directors or other officers

\$ .....

20.22

To stockholders not officers

\$ .....

20.23

Trustees, supreme or grand (Fraternal only)

\$ .....
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes ( ) No (X)
- 21.2

If yes, state the amount thereof at December 31 of the current year:

21.21

Rented from others

\$ .....

21.22

Borrowed from others

\$ .....

21.23

Leased from others

\$ .....

21.24

Other

\$ .....
- 22.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes ( ) No (X)
- 22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$ .....

22.22

Amount paid as expenses

\$ .....

22.23

Other amounts paid

\$ .....
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ( ) No (X)
- 23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ .....

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.01

Were all the stocks , bonds and other securities owned December 31 of current year , over which the reporting entity has exclusive control , in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes ( ) No (X)

24.02

If no , give full and complete information relating thereto:  
United States Treasury Bill on deposit with: State of Maine in the amount of \$109,956  
and the State of New Hampshire in the amount \$499,787 .

24.03

For the security lending programs , provide a description of the program including value for collateral and amount of loaned securities , and whether collateral is carried on or off-balance sheet . (an alternative is to reference Note 17 where this information is also provided)

24.04

Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions?

Yes ( ) No ( ) N/A (X)

24.05

If answer to 24.04 is YES , report amount of collateral for conforming programs .

\$ .....

24.06

If answer to 24.04 is NO , report amount of collateral for other programs .

\$ .....

24.07

Does your security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes ( ) No ( ) N/A (X)

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes ( ) No ( ) N/A (X)

24.09

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes ( ) No ( ) N/A (X)

24.10

For the reporting entity's security lending program , state the amount of the following as of December 31 of the current year:

24.101

Total fair value of reinvented collateral assets reported on Schedule DL , Parts 1 and 2

\$ .....

24.102

Total book adjusted /carrying value of reinvested collateral assets reported on Schedule DL , Parts 1 and 2

\$ .....

24.103

Total payable for securities lending reported on the liability page

\$ .....

25.1

Were any of the stocks , bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity , or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03)

Yes (X) No ( )

25.2

If yes , state the amount thereof at December 31 of the current year:

25.21

Subject to repurchase agreements

\$ .....

25.22

Subject to reverse repurchase agreements

\$ .....

25.23

Subject to dollar repurchase agreements

\$ .....

25.24

Subject to reverse dollar repurchase agreements

\$ .....

25.25

Pledged as collateral

\$ .....

25.26

Placed under option agreements

\$ .....

25.27

Letter stock or securities restricted as to sale

\$ .....

25.28

On deposit with state or other regulatory body

\$ ..... 609,743

25.29

Other

\$ .....

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

INVESTMENT

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
----------------------------	------------------	-------------

.....

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ( ) No (X)
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes ( ) No ( ) N/A (X)

If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ( ) No (X)
- 27.2 If yes, state the amount thereof at December 31 of the current year .

\$ .....
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices , vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III General Examination Considerations, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes ( ) No (X)

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
---------------------------	--------------------------

KeyBanc Capital Markets, Inc. .... 127 Public Square, Cleveland, OH 44114-1306 .....  
TD Bank, N. A. .... TD Wealth, Institutional Trust, 1006 Astoria Boulevard, Cherry Hill, NJ 08034 .....

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
--------------	------------------	------------------------------

TD Banknorth Wealth Management Group ..... One Portland Square, Portland, ME 04112 ..... The custodial agreement did not satisfy the handbook's recom-  
mended language. The account was closed on 07/24/12. ....  
.....

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

INVESTMENT

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes ( ) No (X)

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
--------------------	--------------------	---------------------	-------------

28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
--	-----------	--------------

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes ( ) No (X)

29.2 If yes, complete the following schedule:

1 CUSIP Number	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
-------------------	--------------------------	-----------------------------------

29.2999 - Total

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from question 29.2)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
--	--	---	------------------------

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

INVESTMENT

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	\$ ..... 609,743	\$ ..... 609,847	\$ ..... 104
30.2 Preferred stocks .....	\$ .....	\$ .....	\$ .....
30.3 Totals .....	\$ ..... 609,743	\$ ..... 609,847	\$ ..... 104

30.4 Describe the sources or methods utilized in determining the fair values:  
.....  
.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes ( ) No (X)

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes ( ) No ( )

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....  
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes (X) No ( )

32.2 If no, list exceptions:  
.....  
.....



GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

OTHER

33.1 Amount of payments to Trade Associations , service organizations and statistical or Rating Bureaus , if any? \$ ..... 1,391

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations , service organizations and statistical or rating bureaus during the period covered by this statement .

1 Name	2 Amount Paid
America's Health Insurance Plans .....	\$ ..... 1,391
.....	\$ .....
.....	\$ .....
.....	\$ .....

34.1 Amount of payments for legal expenses , if any? \$ ..... 56,063

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement .

1 Name	2 Amount Paid
Verrill Dana, LLP .....	\$ ..... 33,152
.....	\$ .....
.....	\$ .....
.....	\$ .....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies , officers or departments of government , if any? \$ .....

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies , officers or departments of government during the period covered by this statement .

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes ( ) No (X)

1.2

If yes, indicate premium earned on U.S. business only.

\$ .....

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ .....

1.31

Reason for excluding:

.....

.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$ .....

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$ .....

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ .....

1.62

Total incurred claims

\$ .....

1.63

Number of covered lives

.....

All years prior to most current three years:

1.64

Total premium earned

\$ .....

1.65

Total incurred claims

\$ .....

1.66

Number of covered lives

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ .....

1.72

Total incurred claims

\$ .....

1.73

Number of covered lives

.....

All years prior to most current three years:

1.74

Total premium earned

\$ .....

1.75

Total incurred claims

\$ .....

1.76

Number of covered lives

.....

2.

Health Test:

1

Current Year

\$ ..... 132,098,338

2

Prior Year

\$ ..... 86,989,481

2.1

Premium Numerator

\$ ..... 132,098,338

2.2

Premium Denominator

\$ ..... 86,989,481

2.3

Premium Ratio (2.1 / 2.2)

..... 1.000

2.4

Reserve Numerator

\$ ..... 16,150,218

2.5

Reserve Denominator

\$ ..... 11,260,843

2.6

Reserve Ratio (2.4 / 2.5)

..... 1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes ( ) No (X)

3.2

If yes, give particulars:

.....

.....

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes (X) No ( )

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes ( ) No (X)

5.1

Does the reporting entity have stop-loss reinsurance?

Yes (X) No ( )

5.2

If no, explain:

.....

.....

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ ..... 400,000

5.32

Medical Only

\$ .....

5.33

Medicare Supplement

\$ .....

5.34

Dental & Vision

\$ .....

5.35

Other Limited Benefit Plan

\$ .....

5.36

Other

\$ .....

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

.....

.....

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes (X) No ( )

7.2

If no, give details:

.....

.....

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

..... 6,180

8.2

Number of providers at end of reporting year

..... 7,312

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes ( ) No (X)

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

.....

9.22

Business with rate guarantees over 36 months

.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

10.1

Does the reporting entity have Incentive Pool, Withhold, or Bonus Arrangements in its provider contracts?

Yes (X) No ( )

10.2

If yes:

10.21

Maximum amount payable bonuses

\$ ..... 721,293

10.22

Amount actually paid for year bonuses

\$ ..... 386,367

10.23

Maximum amount payable withholds

\$ .....

10.24

Amount actually paid for year withholds

\$ .....

11.1

Is the reporting entity organized as:

11.12

A Medical Group / Staff Model,

Yes ( ) No (X)

11.13

An Individual Practice Association (IPA) , or

Yes ( ) No (X)

11.14

A Mixed Model (combination of above)?

Yes (X) No ( )

11.2

Is the reporting entity subject to Minimum Net Worth Requirements?

Yes (X) No ( )

11.3

If yes, show the name of the state requiring such net worth.

..... Maine

11.4

If yes, show the amount required.

\$ ..... 12,290,388

11.5

Is this amount included as part of a contingency reserve in stockholder's equity?

Yes ( ) No (X)

11.6

If the amount is calculated, show the calculation

An amount equal to the Company Action Level Risk-Based Capital

.....

12.1 List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
State of Maine
.....
.....

13.1

Do you act as a custodian for health savings accounts?

Yes ( ) No (X)

13.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$ .....

13.3

Do you act as an administrator for health savings accounts?

Yes ( ) No (X)

13.4

If yes, please provide the balance of the funds administered as of the reporting date.

\$ .....

FIVE - YEAR HISTORICAL DATA

	1	2	3	4	5
	2012	2011	2010	2009	2008
BALANCE SHEET (Page 2 and Page 3)					
1. Total admitted assets (Page 2, Line 28)	31,645,902	22,366,041	17,581,025	6,060,161	4,049,127
2. Total liabilities (Page 3, Line 24)	17,749,685	12,955,265	12,323,233	3,849,776	2,245,051
3. Statutory surplus	12,290,388	1,000,000	1,000,000	1,000,000	1,000,000
4. Total capital and surplus (Page 3, Line 33)	13,896,217	9,410,776	5,257,792	2,210,385	1,804,076
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	132,098,338	86,989,481	43,018,578	16,407,224	6,550,791
6. Total medical and hospital expenses (Line 18)	122,392,045	83,399,291	40,070,563	12,545,495	4,956,249
7. Claims adjustment expenses (Line 20)	2,644,702	2,221,664	805,166	373,887	87,146
8. Total administrative expenses (Line 21)	14,305,703	13,221,643	7,579,343	4,098,518	2,663,044
9. Net underwriting gain (loss) (Line 24)	(7,244,112)	(11,853,117)	(5,436,494)	(610,676)	(1,155,648)
10. Net investment gain (loss) (Line 27)	18,164	35,566	16,932	25,299	82,340
11. Total other income (Line 28 plus Line 29)					
12. Net income or (loss) (Line 32)	(7,225,948)	(11,817,551)	(5,419,562)	(585,377)	(1,073,308)
CASH FLOW (Page 6)					
13. Net cash from operations (Line 11)	(7,530,893)	(10,737,212)	2,060,988	1,028,096	(363,473)
RISK-BASED CAPITAL ANALYSIS					
14. Total adjusted capital	13,896,217	9,410,776	5,257,792	2,210,385	1,804,076
15. Authorized control level risk-based capital	6,145,194	4,479,841	2,515,215	954,880	384,762
ENROLLMENT (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	18,394	12,836	6,703	2,651	1,149
17. Total members months (Column 6, Line 7)	199,950	142,392	72,990	28,004	11,909
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 2, Line 3, and Line 5) X 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Line 3 plus Line 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	92.7	95.9	93.1	76.5	75.7
20. Cost containment expenses	1.2	1.5	0.8	1.1	0.6
21. Other claims adjustment expenses	0.8	1.0	1.1	1.2	0.7
22. Total underwriting deductions (Line 23)	105.5	113.6	112.6	103.7	117.6
23. Total underwriting gain (loss) (Line 24)	(5.5)	(13.6)	(12.6)	(3.7)	(17.6)
UNPAID CLAIMS ANALYSIS (U and I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5)	12,571,856	9,447,218	1,957,105	909,653	461,334
25. Estimated liability of unpaid claims of prior year (Line 13, Column 6)	11,260,843	10,497,749	2,582,112	956,756	531,379
INVESTMENTS IN PARENT, SUBSIDIARIES, AND AFFILIATES					
26. Affiliated bonds (Schedule D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Schedule D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Schedule D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Line 26 to Line 31					
33. Total investment in parent included in Line 26 to Line 31 above					

Note: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3,  
Accounting Changes and Correction of Errors?

Yes ( ) No ( )

If no, please explain:  
.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1		Direct Business Only Year to Date							
	Active Status		2	3	4	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Column 2 Through Column 7	9 Deposit-Type Contracts
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	N								
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. District of Columbia	DC	N								
10. Florida	FL	N								
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	N								
15. Indiana	IN	N								
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	N								
20. Maine	ME	L		132,098,338					132,098,338	
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	N								
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	N								
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	L								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	N								
41. South Carolina	SC	N								
42. South Dakota	SD	N								
43. Tennessee	TN	N								
44. Texas	TX	N								
45. Utah	UT	N								
46. Vermont	VT	N								
47. Virginia	VA	N								
48. Washington	WA	N								
49. West Virginia	WV	N								
50. Wisconsin	WI	N								
51. Wyoming	WY	N								
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	N								
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CAN	N								
58. Aggregate Other Alien	OT	X X X								
59. Subtotal		X X X		132,098,338					132,098,338	
60. Reporting entity contributions for Employee Benefit Plans		X X X								
61. Total (Direct Business)	(a)	2		132,098,338					132,098,338	

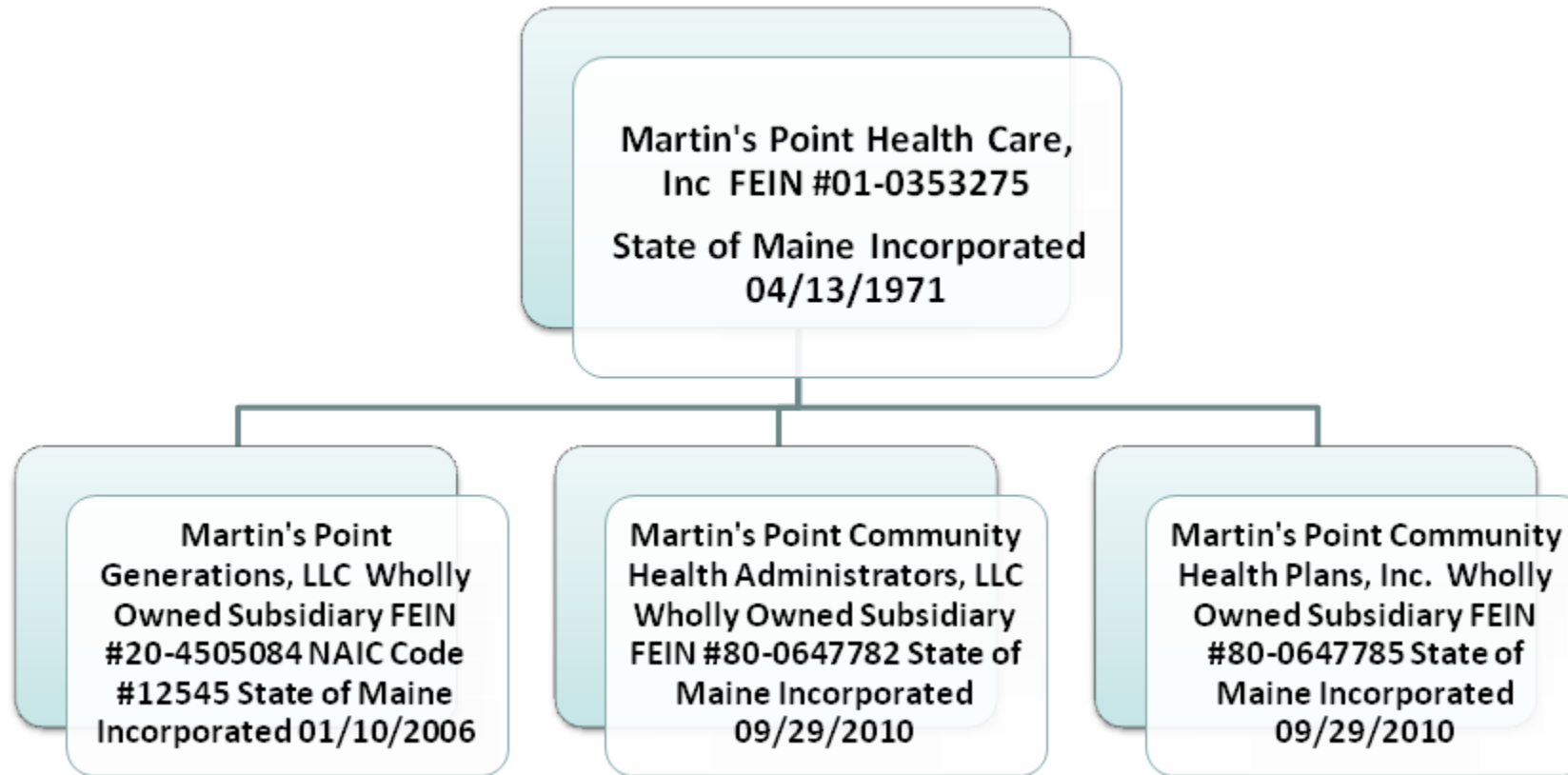
DETAILS OF WRITE-INS										
58001.										
58002.										
58003.										
58998.	Summary of remaining write-ins for Line 58 from overflow page									
58999.	Total (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)									

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer;  
(E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

The Company is licensed in Maine and New Hampshire. During 2012 no premiums were written in New Ham

(a) Insert the number of "L" responses except for Canada and Other Alien.



Health

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